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IMPLEMENTATION ANNUAL REPORT

EXECUTIVE SUMMARY

CALENDAR YEAR 2004

APRIL 30, 2005

2	INTRODUCTION
3	LAND ACQUISITION
4	MITIGATION LAND BALANCES
6	PROGRAMMATIC
7	BUDGET AND FINANCE
8	CONCLUSION
9	FUTURE PLANS

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INTRODUCTION

This report responds to a requirement of the 2003 Natomas Basin Habitat Conservation Plan (NBHCP) and the Implementation Agreement (IA) which calls for an implementation annual report.¹ The 2003 NBHCP is supported by permits issued to the Conservancy by the California Department of Fish and Game (issued July 10, 2003; permit number 2081-20032-019-02) and the U.S. Fish and Wildlife Service (issued June 27, 2003; permit number TE073667-0)



Giant garter snake
(Thamnophis gigas)

The 2004 Implementation Annual Report comes in three parts. First, this Executive Summary. Second, the “Task Reference and Description” matrix. Third, the Appendices. The “Task Reference and Description” matrix (part 2 of 3) is the heart of the 2004 Report. The Appendices (part 3 of 3) are an integral part of the 2004 Implementation Annual Report.

This is the sixth full-year annual report prepared by the Conservancy. The organization has grown in many ways. Its land holdings have been accumulated at a rate far faster than predicted when the first NBHCP was adopted. Notwithstanding this rapid growth, the NBHCP has functioned well, and the Conservancy’s “Plan operator” functions have been carried out according to plan. For example, the Conservancy has completed restoration and enhancement construction projects on nine of its preserves. It is over halfway to assembling the 2,500-acre contiguous preserve. It has over \$6 million in endowment funds. And this year for the first time, it has assembled a comprehensive, integrated biological effectiveness monitoring report. Despite all this, the Conservancy’s overhead has remained modest. It went from a staff count of two to three in 2004, as accounting and bookkeeping functions needed to be taken over after five years of generous support from the City of Sacramento.

The Conservancy is pleased to present this report and to share the many positive steps it has taken towards successful implementation of the Natomas Basin Habitat Conservation Plan.



Cummings tract
2005 restoration and enhancement construction project

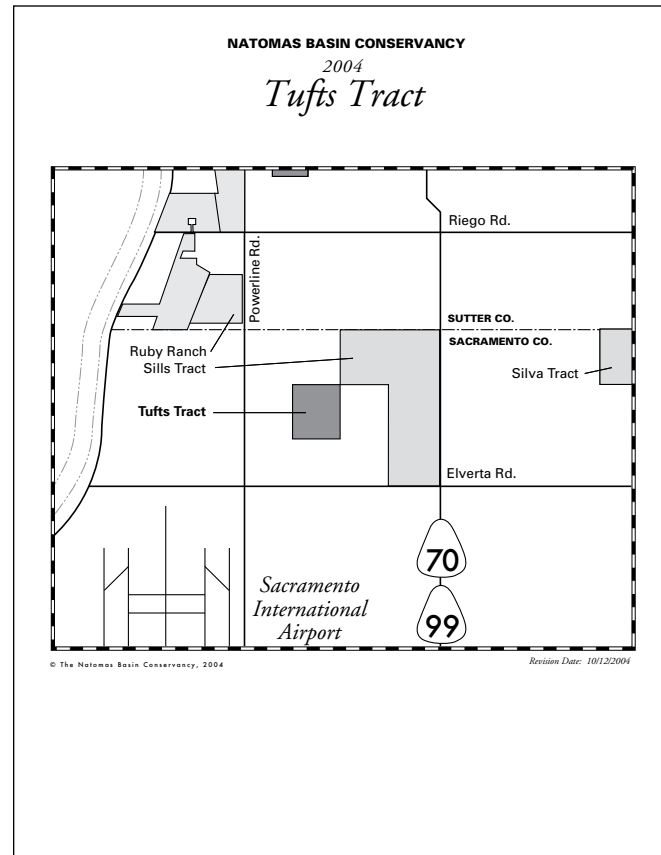
¹ The 2004 Implementation Annual Report is presented in a different format than previous Reports. The reason for this is that the 2003 Natomas Basin Habitat Conservation Plan (NBHCP) was adopted at mid-2003, and last year’s report was a hybrid of the format prescribed in the 1997 NBHCP and the 2003 NBHCP. Now, there has been a full year of operations under the 2003 NBHCP. Therefore, this year’s presentation format is one that attempts to adhere completely to the 2003 NBHCP.

In addition, the 2003 NBHCP has considerably more tasks in it than did the 1997 NBHCP, and due to its size and complexity, these tasks need to be reported in a manner that facilitates compliance review by the State and federal Wildlife Agencies.

LAND ACQUISITION

- **Additional acreage acquired in 2004.** The Conservancy acquired an additional farm (the “Tufts” tract) totaling 147.95 acres in 2004. This brings the total number of farms acquired to date to 20.

Figure 1. Acquisition of Tufts Tract Advances Consolidation of Reserves. Acquisition of the Tufts tract in 2004 helped further efforts to consolidate Conservancy land into larger, contiguous preserves. The map at right displays the acquisition and how it relates to existing land holdings in the Conservancy’s Central Basin Reserve Area. Conservancy plans for 2005 include further efforts at preserve consolidation.



- **Total land acquired through 2004.** The Conservancy has acquired a total of 3,363.8251 acres under the HCP, 3,369.5830 acres when conservation easements are included, and 3,569.6830 when supplemental mitigation dedications are included. There have been 1,616 acres acquired in Sacramento County and 1,953 acres in Sutter County.

MITIGATION LAND BALANCES

- **Acres upon which fees have been paid.** City of Sacramento fees have been paid on a total of 5,702.3 acres and grading permits have been issued on a total of 5,627.8 acres. Through Metro Air Park’s participation, there have been HCP fees paid on 233.526 acres of development.
- **Acres on which grading permits have been issued.** HCP fees have been paid on 5,935.826 acres in total, with permits issued on 5,861.326 acres in total.² The mitigation obligation is calculated at 2,930.663 acres.³

TABLE 1
THE NATOMAS BASIN CONSERVANCY
HCP FEE-PAID ACRES

PERIOD	HCP FEE PAID ACRES*
Through December 31, 1998	1,515.66
January 1-December 31, 1999	1,465.47
January 1-December 31, 2000	598.07
January 1-December 31, 2001	242.09
January 1-December 31, 2002	777.81
January 1-December 31, 2003	1,241.98
January 1-December 31, 2004	178.07
All years through December 31, 2004	5,702.3



Swainson's hawk
(*Buteo swainsoni*)

* Some mitigation land was dedicated in lieu of paying the Acquisition Fund portion of the NBHCP fee. Metro Air Park has paid fees on 190.4 acres, representing 100% of its Initial Phase, Tier 1 development. It has added 200 acres of mitigation land, and with its regular mitigation (116.763 acres), accounts for 316.763 mitigation acres (see totals for Huffman East and Huffman West tracts).

- **Land holdings less mitigation land obligations.** The Conservancy’s present holdings of 3,569.6830 total acres, less 2,930.663 acres of mitigation required, leaves 639.02 acres.
- **Surplus land commitments.** Of the 639.02 acres not being used for HCP mitigation, 200 acres are held in perpetuity as supplemental dedicated mitigation for Metro Air Park, leaving a Conservancy land holding balance of 439.02 surplus acres.
- **Adjustments for anticipated future mitigation.** Fees have been paid to the City on an additional 74.5 acres for which no grading permits have yet been issued, leaving the Conservancy with an anticipated mitigation need of 37.25 acres for this fee paid, but as-yet permitted 74.5 acres. (439.02 acres less this 37.25-acre anticipated obligation equals a balance of 401.77 acres.)

² This assumes that Metro Air Park has received grading permits on all of its fee-paid acreage.

³ Using the “one-half to one” (0.5:1) mitigation ratio in the 2003 NBHCP.

TABLE 2
 THE NATOMAS BASIN CONSERVANCY
 LAND ACQUISITION TALLY THROUGH 12.31.04

PROPERTY	DATE ACQUIRED	ACRES
Silva	1.7.99	159.200
Betts	4.5.99	138.992
Kismat	4.16.99	40.293
Bennett (C.L.)	5.17.99	226.675
Bennett (H&B)	5.17.99	132.486
Lucich North*	5.18.99	267.986
Lucich South	5.18.99	351.889
Brennan	6.15.00	241.376
Frazer	7.31.00	92.600
Souza**	7.2.01	44.680
Natomas Farms	7.9.01	96.460
Ayala	2.20.02	317.3674
Sills	7.15.02	575.5559
Alleghany 50	11.7.02	50.2601
Cummings	11.7.02	66.8307
Atkinson	6.12.03	205.397
Ruby Ranch	6.23.03	91.078
Huffman West***	9.30.03	181.003
Huffman East	9.30.03	135.746
Tufts****	9.29.04	147.95
Total		3,563.8251



Cummings Tract
Habitat construction



Cummings Tract
Habitat construction with steep-sided banks for giant garter snakes

- * Earlier-stated possible reduction of Lucich North of 20.68 acres owing to a claim by the Sacramento Area Flood Control Agency (SAFCA) has been resolved and 20.68 acres is now fully countable. A flood control easement exists on 2.5 acres of the Lucich North tract in favor of SAFCA.
- ** Agreement of Purchase and Sale requires 3.68 acres can be purchased back from the Conservancy on this parcel.
- *** The Huffman West tract and 19 acres of the Huffman East tract is for supplemental mitigation required of Metro Air Park.
- **** 63.116 acres for Opus West mitigation (Promenade) with balance, 84.834, available for Metro Air Park mitigation for a two-year period.

- **Annual 200-acre May 1 cushion has been met.** The Conservancy has more than enough acreage to meet the 200-acre “cushion” required in the HCP on May 1 of each year.

PROGRAMMATIC

- **Property documentation.** Phase One environmental reports, American Land Title Association (ALTA) land surveys and aerial photographs were completed on each of the Conservancy's land acquisitions.
- **New Site-Specific Management Plan.** The Conservancy prepared and received approval on a comprehensive revised Site-specific Management Plan in 2004.
- **Biological Effectiveness Monitoring.** The first comprehensive biological monitoring effort was completed under the Biological Effectiveness Monitoring Program, newly required in the 2003 NBHCP.
- **Required documents submitted.** The Conservancy issued a timely implementation annual report, budget, financial audit and all other required reporting documents during the year.
- **Restoration and enhancement efforts.** A restoration and enhancement construction project was embarked upon in 2004 on the Conservancy's Cummings tract. Touch ups and finalizations were also worked on to complete the 2003 restoration and enhancement construction effort, which was the largest such effort so far for the Conservancy.

Figure 2. Restoration and Enhancement in the Fisherman's Lake Reserve Area. The 2004 restoration and enhancement construction project on the Conservancy's Cummings tract is evident in this aerial photo (see at bottom of photo at right). The work complements the prior year's work on the Natomas Farms tract (upper right of photo). Together, they connect with Fisherman's Lake (linear, from North to South at right). The Sacramento River is seen in the lower left of the aerial photo.



BUDGET AND FINANCE

- **Finance Model update.** The HCP finance model was updated and a fee increase was requested, granted and implemented.⁴

TABLE 3
THE NATOMAS BASIN CONSERVANCY
HCP FEE HISTORY

YEAR	ESTABLISHED FEE
1997	\$2,240
1998	\$2,656
1999	\$3,292
2000	\$3,942
2001	\$5,993 + \$4,028 premium = \$10,021*
2002	\$7,934 + \$4,028 premium = \$11,962*
2003	\$12,270 ⁵
2004	\$16,124 ⁶

* HCP “premium” was established as a result of an agreement to settle litigation, *FWS v. Babbitt*.

- **Endowment Fund.** The Conservancy’s endowment fund account continues to grow, and remains conservatively invested in order to insure its long-term viability. The account balance was \$5,803,065 in the Endowment Fund and \$919,480 in the Supplemental Endowment Fund at December 31, 2004.

Figure 3. Natomas Farms.
A new water conveyance structure delivers water to the Conservancy’s Natomas Farms marsh complex.



⁴ City of Sacramento City Council resolution #2004-285 (“A Resolution increasing the amount of the habitat conservation fee established pursuant to Chapter 18.40 of Title 18 of the City Code and requiring developers in Natomas to dedicate land for habitat mitigation in lieu of payment of HCP fees in specific circumstances, to take effect immediately”), approved April 20, 2004.

⁵ Also established is a fee of \$7,770 per acre for fee obligations satisfied in part with land dedication.

⁶ Also established is a fee of \$8,624 per acre for fee obligations satisfied in part with land dedication.

CONCLUSION

The Conservancy's 2004 was its busiest year yet. The key accomplishments were:

1. the development of a comprehensive biological effectiveness monitoring report,
2. revision of the site-specific management plan,
3. restoration and enhancement construction project on the Cummings tract,
4. assumption of financial and accounting functions,
5. calibration and refinement of newly-constructed managed marsh to optimize them for their intended function, and
6. refinement of the NBHCP Finance Model (along with NBHCP fee adjustments).

For the first time, the Conservancy had the benefit of a comprehensive biological monitoring function through its contractor Jones & Stokes, and with the restoration ecology and land management team, through contractor Wildlands, Inc. Combined with Conservancy staff, the three teams coordinated efforts that have resulted in an improved NBHCP implementation. The extensive specialties and resources of all three groups (Jones & Stokes, Wildlands, Inc. and the Conservancy) is occasionally supplemented by other specialists (e.g., grassland experts at Hedgerow Farms, giant garter snake experts at USGS's Dixon, California field station, groundwater experts at Odell's Well Service and many others) to address most any question or need the Conservancy might have. Calling on the additional resources that make up the NBHCP Technical Advisory Committee (TAC) round out the extensive resources available to the Conservancy.

FUTURE PLANS

The year 2005 will be another year of growth for the Conservancy. Management activity will be focused primarily in the following areas:

1. refine and effectively manage new and start-up managed marsh projects resulting from the heavy restoration and enhancement construction schedule over the last two years,
2. implementation of the revised and more extensive 2003 NBHCP,
3. developing the 2003 NBHCP-required biological effectiveness monitoring plan, due in June 2005,
4. absorb an expected large amount of new mitigation land into the Conservancy's land inventory,
5. ramping up internal finance, accounting and bookkeeping functions to replace those functions previously provided by the City of Sacramento,
6. continue to patch together additional lands to further the string of successes in reserve consolidation, and
7. extensive oversight of financial planning to ensure that the HCP fee is adequate to fully fund implementation efforts.

Further information can be obtained by calling on the Conservancy's web site (www.natomasbasin.com) or contacting the Conservancy directly.

Figure 4. Restoration and Enhancement Construction. Earth work underway in the 2004 marsh construction project on the Conservancy's Cummings tract.



TABLE 4
THE NATOMAS BASIN CONSERVANCY
GENERAL RESERVE CHARACTERISTICS ILLUSTRATION*

Mitigation land tracts in order of acquired date ➡	Silva	Betts	Kismat	Bennett No.	Bennett So.	Lucich No.	Lucich So.	Brennan	Frazer	Souza	Natomas Farms	Ayala	Sills	Alleghany 50	Cummings	Ruby Ranch	Atkinson	Huffman West	Huffman East	Tufts
COUNTY																				
Sacramento	●	●	●							●	●	●	●	●	●					●
Sutter	⊖	⊖		●	●	●	●	●	●							●	●	●	●	
PREDOMINANT LAND USE (2004)																				
Rice				●	●		●	●				●	●			●	●		●	●
Upland	●	●	●		●	⊖		●	⊖	●	●	●		●	●		⊖	●	⊖	
Marsh	●	●	●	⊖	●	●	⊖		●		●				●		⊖			
WATER																				
Natomas Water Co.				●	●	●	●		●	●	●	●	●	●	●	●	⊖		●	●
Ground Water	●	●				●		●	●								⊖	●		
Surface Water	●	●	●	●	●	●	●		●	●	●	●	●	●	●	●	⊖	●	●	●
MANAGEMENT PLAN																				
Covered by Approved SSMP	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Not yet covered																				●
Marsh Construction '01	✓	✓	✓																	
Marsh Construction '02				✓	✓		✓	⊖												
Marsh Construction '03						✓			✓	✓	✓									
Marsh Construction '04															✓					
EXISTING TREES																				
0				●	●	●	●		●			●	●			●			●	●
1 – 10			●								●							●		
11 – 30								●		●										
31+	●	●												●	●		●			
OTHER																				
Fenced	●	●	●		⊖			⊖		●	●				●					
Livestock Grazing	●	●	●					●		⊖	●									
Residential Structure	●	●								●										
Farm Structure(s)	●	●								●										
Vernal pools	✓																			

*Solid dot (●) represents inclusion of characteristic on that tract; hollow-strikethrough dot (⊖) represents minor, partial or planned inclusion on the referenced tract; a check mark (✓) represents completion of project.



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BASIN
conservancy

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